

it is. Now this is obviously, when you are talking about a \$40 million loss, the largest bank failure we've faced, and certainly the tragedy is one that has hurt all of us. But it is more than that. It is the largest robbery, in my estimation, in the state because these people were stolen from. It wasn't just a matter of bank failure. We have bank failures, and then we have coverage of those bank failures and people receive their money back up to the FDIC or FSLIC amount and, by and large, they do get their deposits coverage. But what we have here is a situation where these people had a bank failure but our guarantee was not upheld and they lost their money, or at least a large portion of their money. But even that isn't as bad as the situation that occurred at Commonwealth which actually led to the failure of that institution. I don't know if you've had a chance to meet with Dr. Mike Breiner yet to talk about what he's found out in the last year in his extensive and exhaustive research on Commonwealth, but I met with him last night a little bit and he gave me some more information that I thought again was shocking and, hopefully, will stir up the concern you have to be fair to these individuals. He found, for instance, that the balance sheets that were made public indicated, over the years, a profit for Commonwealth, '79, '80, '81. People...the public at large felt, from looking at those balance sheets, the Banking Department had oversight for, would have indicated that there was a solvent company making money, but in fact access has been given to the income tax records of Commonwealth, and from '79 on they paid absolutely no income tax. In fact in '77 they paid \$5,000, in '78, \$85, and then beyond that didn't pay any income tax. They were losing money in reality. What was happening is they were taking paper transactions, frankly thievery among the principals at Commonwealth and exchanging properties on paper, and making it look like they were actually making money when in fact none of it was occurring whatsoever. But the balance sheet looked good, and in fact they were losing money, and slowly but surely, and then rapidly and quickly they were going under and losing, not 1 or 2 million, but on to 10, 20, 30, and 40 million dollars eventually in losses. One example of what they were doing was in Southern Hills Development. It ended up that through a number of paper transactions they built up the interest in that development through Commonwealth up to \$3.3 million. It is now estimated that that development is worth something around \$300,000. In other words it is \$41,000 per lot down there, when in fact all it is is basically a wheat field.